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Thank you for your kind attention to this matter.

Kindest personal regards.

Sincerely,

WILLIAM H. HALL,
Director.

DEPARTMENT OF
INDUSTRIAL DEVELOPMENT,
Sedalia, Mo., March 8, 1968.

Hon. STUART SYMINGTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SYMINGTON: After having talked to Mr. Fike on March 6 concerning S.B. 2635 and H.B. 11645 regarding the industrial financing problems we are having here in the State of Missouri, I have received additional information.

I am quite confident you are well aware of the problems facing the State of Missouri relative to industrial financing as a result of the Internal Revenue's attempts at taking legislative powers in their own hands. I am in receipt of thermofax copies of wire releases dated March 5 and March 7 that have been furnished me by Mr. Norman Lewis of Perry, Adams & Lewis in Kansas City.

It would appear that the Treasury Department is making every effort to make a ruling that "will state officially within a few days that because industrial aid financing has become such a major issue, a redefinition of rules governing all tax exempt bonds is now required". Senator, I am sure you recognize the problems this creates not only for Sedalia, possibly, but for at least two other major industrial complexes in the state—one at the Village of Champ and one at New Madrid; the difference being, however, that the other two issues are industrial revenue issues and the one here in Sedalia is an industrial general obligation issue for Town & Country Shoes, Inc. As you know, we are most concerned about the House and Senate bills in the event they should ever be passed. We feel confident that you have the wherewithal with your colleagues to defeat such a bill, were it to come to the floor, however we would be happy to see it die in committee. Our most pressing problem, though, is the fact that the Treasury Department has assumed legislative responsibility by going ahead with a redefinition of rules governing tax exempt bonds inasmuch as they do not think that it accurately reflects the intention of Congress in the 1954 tax code.

Our problem, in essence, is this. Will the new Treasury regulation effect only industrial revenue bonds or will it cover both industrial revenue bonds and industrial obligation bonds? As a layman and not an attorney I can foresee this problem arise should it cover industrial obligation bonds. G.O. bonds for industrial purposes in the State of Missouri are the same as any other G.O. bonds, with the exception that the lease payments on the industrial complex are enough to cover the city's cost of principal and interest on the bonds. Should the tax exemption on this type of bond be overruled, then it would only be a matter of time until the tax exemption on any other type of municipal bond would be overruled, virtually obliterating the credit of every city and community in the nation. As you know, there are some forty states that have industrial revenue bonds authorized and only four or five that have both revenue and G.O. bonds authorized, one of which is Missouri.

We believe that the Congress should take action by legislative means to restrict the Treasury Department from creating their own legislation by "Treasury Regulation." It would seem that the purpose of the Treasury announcement is to "put the market and issuers on notice" that a firm cut-off date is forthcoming. The Treasury indicates that the statement of policy will contain no hard details beyond this, "but a subsequent ruling by the Internal Revenue Service will fill in all gaps." Subsequent wire releases have established that the cut-off date for tax exemption privileges for local government bonds sold mainly to benefit private business is March 15, 1968.

As you see, we are asking you to do everything within your power, as I am sure you are already doing, to alleviate this situation and remove the cloud hanging over industrial development practices in some forty states.

Kindest personal regards.

Sincerely,

WILLIAM H. HALL,
Director.

SPRINGFIELD CHAMBER OF COMMERCE,
Springfield, Mo., March 8, 1968.

Hon. HENRY H. FOWLER,
Secretary of the Treasury,
Washington, D.C.

DEAR SECRETARY FOWLER: The announcement of March 7, by the Treasury Department, contained in technical information release 972, limiting in effect the issuance of industrial revenue bonds for the construction of industrial projects, has been long expected by members of the business community engaged in industrial procurement.

The principles and philosophy attached to the use of said bonds for industrial purposes is not the subject of this letter. Compelling arguments can be advanced for the use of said bonds, in advancing the economic development of communities, and equally valid arguments can be advanced limiting the use of municipal bonds for those purposes historically considered the province of municipalities in the way of capital public improvements.

The subject of this letter is addressed to a circumstance, which the Chamber of Commerce of Springfield, Missouri feels deserves recognition, under the theory that due process of law is a hallmark of our society.

In July, 1967, Zenith Radio Corporation entered into discussions with the Chamber of Commerce, as to the possibilities of issuance of industrial bonds for the purchase of a major industrial plant in Springfield, which operation would yield a fallout of in excess of $24 million annually in payroll to the citizens of our metropolitan area. In September, 1967, Zenith Radio Corporation, the Chamber of Commerce, and City Government, reached substantive agreement as to the desirability of said bond issue. Continuous discussions through the fall of 1967 as to lease terms continued, and on January 2, 1968, the City Council of Springfield, Missouri agreed to submit to the voters as of February 6, 1968, a bond proposal in the amount of $7 million, which proceedings would be applied to the purchase of the site, and the completed plant, with Zenith Radio Corporation providing at Zenith's expense all machinery and equipment essential to the operation of a 715,000 sq. ft. facility.

The election was held as of February 6, and the citizens of Springfield by an overwhelming margin of approximately 80%, approved the issuance of said bonds and endorsed the proposal of Zenith for the financing of this major addition to Springfield's economy.

As of February 5, 1968, Zenith Radio Corporation, in anticipation of a favorable vote entered into a contract with the A. G. Becker Company of Chicago and New York, to serve as financial consultants as to the preparation of the necessary prospectus, and to advise Zenith as to the marketability of said bonds. As of February 9, 1968, Zenith Radio Corporation established the date of February 19, 1968 for conferences with representatives of the City, and bond counsel for discussions of the necessary proceedings required to issue said bonds. As of that date, the date of March 12, 1968 was established for an adjourned meeting of the City Council, for the purpose of adopting all proceedings required to advertise and sell the bonds the week of March 25, 1968.

In effect, commitments were made by Zenith Radio Corporation and the community in good faith to issue the bonds necessary for the addition of this major facility to Springfield's industrial future. These commitments followed due process, and a sequence of time, without hesitation or delay.

The position of the Chamber of Commerce is that the authorization to issue the bonds, the rational sequence of steps subsequent to the authorization, and the ultimate issuance of said bonds is one that should be honored as to the covenants between the community and the firm.

We earnestly solicit, that in the hearings addressed to a final ruling, that consideration, recognizing that bonds, authorized in good faith prior to March 7, receive the necessary letters of the Internal Revenue Service as to the exemption of interest from federal income taxes, where the sequence may be identified indicating that the procedure following authorization was prosecuted with dispatch and with the intention of selling said bonds.

Cordially,

NORMAN R. HOEFT,
Executive Vice President.

Mr. SYMINGTON. Mr. President, we all know that it is becoming more and more difficult for this administration to obtain the money necessary to continue this major war on the mainland of Asia. This announcement by Treasury of plans to end tax exemptions on these municipal industrial revenue bonds is just one further illustration of that fact.

But this pressure should not result in ill-considered, hasty action that could in turn postpone industrial development in a great many of our States and would take away from our smaller communities one of the most useful tools they have for creating new jobs for the unemployed and underemployed people.

E-W Trade

BALANCE OF PAYMENTS IN PERSPECTIVE

Mr. RIBICOFF. Mr. President, as we are all aware, there was a most serious deterioration in the balance of payments during the fourth quarter of 1967—a deficit equal to an annual deficit of $7.5 billion. As a result, we faced a run on gold during November and December which cost us over $1 billion of our dwindling reserves. At this very time there is another run on the dollar which reports suggest has cost us another $450 million in gold. Clearly, there is a crisis in the money markets of the world.

Deficits in our balance of payments are nothing new. They actually began in 1950 and continued uninterruptedly until 1957 when exports of petroleum, stimulated by the Suez crisis, rose sufficiently to move us into a slight surplus. Most of the world welcomed those early deficits, in the view that they supplied the needed injections of capital to help finance the recovery and economic miracles of Europe and Japan. The United States did not mind those early deficits either, as they were small and did not drain off very much of our then sizable gold reserves.

Beginning in 1958, however, the deficits grew larger and caused more concern.

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After large deficits—over $3 billion a year—continued for 3 years, the first "run on gold" caused the price to rise to $40 an ounce on the London market in October 1960.

The immediate response to these large deficits under the Eisenhower administration was to tighten up a bit on the foreign aid program by curtailing offshore procurement in certain countries, and to order dependents of U.S. servicemen in Europe home.

Programs were initiated by President Kennedy, and intensified under President Johnson to, first, expand our exports; second, increase the number of foreign tourists visiting the United States; third, reduce private investments abroad; fourth, sell more military hardware to our allies and substantially tie foreign aid to U.S. goods and services; fifth, attract foreign investment in the United States; and, sixth, raise short term interest rates to keep capital from flowing abroad and to attract foreign capital here.

All these measures were taken hoping that the problem would be rectified.

But it was not. As one factor improved, another deteriorated. When our trade surplus improved to $6.7 billion in 1964, our capital outflows grew to almost that level; after we succeeded in arresting the flow of private capital, our trade account deteriorated badly. And, of course, Vietnam did not help either. So, here we are, 18 years after the first deficits appeared, and 10 years after the more sizable deficits came on the scene. We are no better off. In fact, we may even be worse off. We now have a host of controls over investments abroad in all forms, even though those investments are the geese that lay the golden eggs for our balance of payments. A stiff tax on the movement of people has also been proposed.

By adopting these controls, we are sacrificing ends to protect means. The purpose of the international monetary system—its end—is to facilitate the growth of world trade, investment, and the free movement of people between nations. Fixed exchange rates between currencies are the means to achieve these goals. But to protect fixed exchange rates we have moved to penalize and, in some cases, embargo, the free movement of capital. This is what I mean when I say it appears that we are sacrificing ends to protect means.

A DOLLAR DEVALUATION IS NO SOLUTION

It is clear that a dollar devaluation is no solution to the present problem. It would give a windfall to the gold-producing countries of South Africa and the Soviet Union. It would be a serious breach of confidence with our many allies who have chosen freely to hold dollars instead of that yellow metal. Canada, Japan, Australia, and a host of other nations hold huge amounts of dollars in their official coffers. To devalue these dollars would, in effect, decrease their reserves and put an end to the willingness of other countries to hold dollars. The growth of monetary reserves would thenceforth be dependent upon the vagaries of gold production and sales by the Soviet Union and South Africa. The trade of the free world would be subject to the political as well as economic machinations of gold producers.

Moreover, a dollar devaluation would be taken as a confession to the world that General de Gaulle was right after all. He has predicted, indeed encouraged, the downfall of the two reserve currencies: the dollar and the pound. The pound was unable to survive the pressures, and was devalued by 14.3 percent on November 18, of last year.

It is clear that if we devalued the dollar, other countries would feel compelled to devalue also, leaving us with no net advantage as far as our competitive position is concerned.

It would be the height of folly for other countries to force a dollar devaluation on us, as surely it would lead to a series of measures to restrict sharply their trade and could lead to a financial catastrophe for them. They should recognize that when the United States sneezes, the rest of the world will catch cold.

Other countries, particularly those in continental Western Europe, are schizophrenic about our balance of payments. They talk to us about financial responsibility and getting our house in order. But when we act to curtail our expenditures in Europe, be it through travel restraints or trade measures, they scream "retaliation." While they consider our troop strength in Europe as absolutely necessary for their defense, they balk at offsetting the foreign exchange drain which these commitments entail.

Short term palliatives will not solve a long term problem.

We must consider alternative courses of action.

MILITARY EXPENDITURES ABROAD

Our Government expenditures abroad, on a net basis, averaged $5.2 billion a year, between 1958 and 1960. By 1966, the figure had reached $6.2 billion, and the annual rate for the first three quarters of 1967 was $6.6 billion. These include repayments on Government credits and other Government capital account receipts, so that the gross figure is much higher. Our military expenditures abroad, on a net basis, averaged $2.9 billion in 1958–60, and $2.6 billion in 1966. During the first three quarters of 1967, the annual rate was $3.1 billion.

These expenditures abroad by the U.S. Government exceed—in fact, are about double—the amount of our total deficits. If one were to add up all the private transactions involving foreign exchange expenditures and receipts—including exports and imports, tourism, capital investments abroad, and the income earned thereon, and all other nongovernmental transactions—one would find a surplus. Without the huge government expenditures abroad there would be no balance-of-payments problem.

This does not lead to the conclusion that we must sacrifice our essential commitments for balance-of-payments reasons. But it does indicate that if we are to achieve a sustainable balance in our international accounts, we must curtail the foreign exchange costs of our Government programs abroad.

In this context, it is extremely difficult to accept anything less than a complete neutralization of our military expenditures in Europe. At the present time, our balance-of-payments expenditures in Europe are running at a billion and a half dollars, or at about the same level as in Asia. The basic offset to these expenditures is the sale of military equipment and medium term U.S. securities to our allies, particularly the Federal Republic of Germany.

Most of the military sales would have taken place anyway, as we have a commanding advantage in military technology and weapons systems. The sale of U.S. securities is, in effect, borrowing from our allies to pay for our troop expenditures. Those securities mature in 4 years, and must be repaid with interest. Must we borrow money from Germany to pay for the costs of U.S. troops in Germany?

The time has come to reexamine our troop commitments in Europe—and to reduce the number of troops on the continent. For those troops that must remain, it seems fair that our allies pay the full cost of maintaining these troops.

Our European allies have huge dollar reserves. It is not unreasonable that they pay us the dollars needed to maintain our troops there out of their overabundant supply of dollars, which they have accumulated during the past 18 years at our expense. This issue, I believe, should be a matter of first priority.

FOREIGN AID

Another area for belt-tightening is in foreign aid. Our total foreign aid expenditures increased from $3.2 billion during the 1953–60 period to an annual rate of $5.2 billion during the first 9 months of 1967. It is claimed that much of our foreign aid is tied to U.S. goods and services. However, the U.S. Treasury admits that this, in itself, is not enough to reduce the impact of foreign aid programs on the balance of payments. In fact, our aid-financed exports have substituted for U.S. commercial exports.

The best way of effectively tying our aid is to give it only for specific worthwhile projects. Most of our aid is now financing general imports of underdeveloped countries. Such general import assistance leads to the kind of substitution of government-financed exports for commercial sales that the Treasury is trying to stop.

I also believe that we should reexamine thoroughly the foundations of our aid program to make sure that we are providing money for the essential prerequisites for economic development, which, in my view, revolve around educational projects to train the human resources of a recipient country. I do not believe that simply building steel plants, chemical plants, and the like are always the wisest form of investment for a less-developed country. Many of those plants which we have built with American money are now sending to our market cheap, low-cost products, instead of selling them at home. This not only hurts domestic industries and employees, but also adds to our balance-of-payments woes.

THE TOURIST GAP

Now we come to the so-called travel gap.

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Last year, when Expo '67 increased our normal tourist deficit by $350 million, the deficit approached $2 billion.

The President has urged that Americans restrain themselves on their travel, or even postpone travel plans, if possible, to West European countries. I think many American will respond favorably to that plea. However, the expenditure tax proposals submitted by the Secretary of the Treasury before the House Ways and Means Committee are short-term crisis measures unsuited to solving a long-term problem.

Many countries—Ireland, Italy, Spain, and Israel to name a few—depend, to a substantial degree, on our travel for their own balance of payments. They have been willing holders of dollars, and, in fact, have not contributed at all to our balance-of-payments problem.

In this regard, only last October, the executive branch testified before the Senate Finance Committee that import quotas would harm our foreign relations and lead to retaliation. It seems patently inconsistent to argue that a moderation of imports of steel, textiles, and other products would lead to retaliation and unforeseen political consequences, but a tourist tax, an embargo on investments in Europe, and forced repatriation of foreign earnings would not involve these same consequences.

There are alternatives in the travel area, which should have been explored a long time ago. The Treasury Department itself has listed many of these in their recent publication on "Maintaining the Strength of the U.S. Dollar in a Strong Free World Economy." These would include a larger promotional program through the U.S. Travel Service, use of counterpart funds held by the U.S. Treasury, directional air fares, use of vacant university facilities during vacation periods, and no less than 23 other steps outlined in the Treasury publication.

The U.S. Travel Service budget of $3 million is less than the comparable budgets for Canada, Spain, Mexico, France, Greece, and a host of other countries and should be increased. I believe that all the positive alternatives to attract tourists to the United States should be given the highest priority.

TRADE

Another area which needs urgent attention involves improving our trade account. The so-called favorable balance of trade has dwindled from a level of $6.7 billion in 1964 to about $4 billion last year.

If one excluded from our export figures the concessional sales under our foreign aid programs, the surplus dwindles further to only $1 billion. Moreover, if our imports included the cost of insurance and freight, the surplus completely disappears, and we have, in fact, a $1 billion trade deficit. There are three ways basically in improving our trade situation.

KEEPING THE ECONOMY ON AN EVEN KEEL

The first involves keeping our own economy competitive by avoiding inflation. We were successful in this regard until our participation in the Vietnam war began to put serious pressures on our economy and resulted in substantial price increases over the past 2½ years. The need for expenditure restraint, especially in nonessential domestic and space expenditures is obvious. What will it profit a nation to get to the moon, if it loses its purchasing power in the process?

ECONOMIC GROWTH ABROAD

The second area which can improve our trade account involves actions by other countries to increase their economic growth through any expansionary, monetary, and fiscal policies. Unfortunately, some of the European countries, which have called for discipline in the United States, have so disciplined their own economies as to offset any action we may take to improve our own balance of payments. For example, in Germany last year there was an actual decline in the gross national product, and the German trade surplus ballooned to $4 billion—an enormous figure for a country whose GNP is only about one-seventh of ours.

NONTARIFF BARRIERS

Another area needing attention, and one which the President pointed out in his January 1 message, is in eliminating the nontariff barriers which discriminate against U.S. commerce. The President stated:

American commerce is at a disadvantage because of the tax systems of some of our trading partners. Some nations give across-the-board tax rebates on exports, which leave their ports and impose special border tax charges on our goods entering their country.

The President went on to say that we were discussing this problem with our trading partners, and, in the light of those discussions, legislative measures will be prepared. It is about time that we put American products on an equal basis with those of our trading partners.

The distinguished chairman of the Senate Finance Committee, Senator LONG, has continually stated that Yankee traders, if given an equal opportunity, will stand head and shoulders above their counterparts abroad. But, as he has so eloquently pointed out on several occasions, and as the President has confirmed in his January 1 statement, our trade is disadvantaged by the so-called nontariff barriers which other countries have erected.

It is a shame that, after 5 years of tariffs and nontariff negotiations, U.S. trade should be so disadvantaged. One wonders about the kind of reciprocity we got in those negotiations. Instead of berating the past, however, let us tear down these barriers. But if the Europeans are not willing to alter their border taxes, variable levies, procurement policies, and quota systems, then, I think, we will have to take unilateral action to offset the discrimination.

One response would be to impose our own system of border taxes and export rebates, so that we at least maintain the same rules of competition that our trading partners maintain. The Senate Finance Committee will, I am sure, examine this question in detail.

IMPORT QUOTAS

Another alternative is import quotas. Article XII of the General Agreements on Tariffs and Trade states:

Notwithstanding the provisions of paragraph 1 of Article XI (eliminating quantitative restrictions) any contracting party, in order to safeguard its external financial position and its balance of payments, may restrict the quantity or value of merchandise permitted to be imported, subject to the provisions of the following paragraphs of this Article.

Paragraph 2 of article XII states in part:

Import restrictions, instituted, maintained or intensified by a contracting party under this Article, shall not exceed those necessary:

(i) to forestall the imminent threat of, or to stop, a serious decline in its monetary reserves, or

(ii) in the case of a contracting party with very low monetary reserves, to achieve a reasonable rate of increase in its reserves.

Certainly, the United States has had a serious decline in its international reserves, and would, therefore, have the right to establish quotas on balance-of-payments grounds under article XII of the GATT. This right may have to be invoked unless our trade situation improves substantially during this year.

These measures in the military, aid and trade fields can help us get back to that thing called "equilibrium" without restricting the freedoms of Americans. But, the problem is still deeper.

THE GOLD PROBLEM

The balance-of-payments problem of the United States is inextricably linked to a sharp decline in its monetary reserves. Those claims now exceed $30 billion against a gold stock of less than $12 billion. It is generally agreed that increasing the price of gold will not solve our problem, and I agree with that for the reasons stated above. However, the United States through its own psychological attachment to gold, continues to feed substantial speculation that the price of gold will increase. We have borrowed to keep our troops abroad, and begged countries not to buy our gold. Most countries have heeded our request, but our efforts to protect this gold stock have given rise to speculators' beliefs that we cannot do it. A banker who is afraid of a run will often precipitate such a run.

There are huge private markets of gold in London, Paris, Zurich, and in the Far and Near East. In the case of the London gold market, the United States provides 59 percent of the resources—that is, gold—needed to stem the speculation and maintain the gold price at $35 an ounce. This is where most of our gold was lost during November and December. In effect, therefore, the United States is selling its gold stock to private hoarders and speculators who are banking on only one thing: an increase in the price.

In addition to carrying an unfair share of maintaining that London gold market, I think the wisdom of supporting the speculators' thirst for gold should be called into question. By supporting the floor price on gold, the central bankers have given the speculators a one-way option.

But, if the U.S. Government made it very clear that under no circumstances would we buy the gold back for more

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than $35 an ounce, and hint that, in fact, we may not be willing to buy it back at all, I am sure that the gold would come pouring out of the hands of speculators and end up in monetary reserves This is urgently needed, as in the last 2 years, more than the total world's gold production has gone into private hands, and the amount of official gold reserves held by monetary authorities has actually declined.

In the long run, gold will have to be removed from its central position in the international monetary system. We have spent years negotiating for international monetary reform, but the role of gold seems to be more important than ever.

It would be a cruel fate if, after all the negotiations to improve the international monetary system by the creation of a new reserve unit—which culminated in last year's agreement at the Monetary Fund's meeting in Rio—the world should find itself in the tight grip of gold speculators.

To avoid this unpleasant possibility, a concerted attack against gold speculation must begin. A rethinking of the support operations in the London Gold Pool is a first step.

Finally, there is the area of exchange rates which need a fresh, new look.

EXCHANGE RATES

The "fathers" at Bretton Woods, where the International Monetary Fund was born, intended that exchange rates be reasonably stable, but not frozen. According to article IV, section 5, of the Fund Charter, a member "shall not propose to change in the par value of its currency except to correct a fundamental disequilibrium." If a country is in "fundamental disequilibrium" it may change its par value by 10 percent without the need of concurrence by the Fund. In practice, countries have devalued by far more than 10 percent without concerning themselves with Fund approval. The Fund has no choice but to accept a de facto devaluation by a major country.

I am not advocating a dollar devaluation. I think we are right in rejecting that and my only criticism is that our rejecting has not been convincing enough, because of our attachment to gold.

It seems to me, however, that consideration should be given by the Fund members to allow more flexibility in exchange rates. At present, currencies can fluctuate vis-a-vis each other by 1 percent on either side of par. If this were to be widened gradually over a period of years to 5 percent, the economies of the free world would be better able to adjust to each other. The basic virtues of fixed exchange rates would remain, but they would be fixed within wider limits, allowing market forces to be reflected in the exchange rate movements. This would make balance-of-payments adjustment easier for both deficit and surplus countries and obviate the need for these proliferating controls—multicurrency practices, if you will—which are now upon us.

CONCLUSION

Mr. President, the unresolved balance-of-payments problem is the Achilles heel of the U.S. economy. For years we have attacked it as though it were a short-term problem that would disappear. By now it is painfully obvious that the problem is long term, and that the short-term palliatives we have applied have failed. History has demonstrated dramatically how one control leads to another.

We cannot deal with this problem on a piecemeal basis forever. If we do, the strings we have tied to our investors, bankers, and tourists, will end up tying us to an unbearable international financing world—a world where one control begets another, and one action leads to counteraction. In the end, we could lose our freedoms and the concept of the marketplace which is the key to our competitive economic system. This is the real danger in the unresolved balance-of-payments problem.

SOME THOUGHT-PROVOKING COMMENTS FROM A YOUNG NEW MEXICAN

Mr. MONTOYA. Mr. President, more often than not we are confronted with a sensationalist-oriented view of our young people. Once in a while, however, we receive an indication that the overwhelming majority of them are anything but wild-eyed seekers after new sensations. One of them, a young constituent of mine, has come out with some of the most thought-provoking comments I have seen in a long time from anyone, young or old.

This young woman, Terry Wallace, had a story written about her and her memorable speech which I have offered. She wrote the speech herself, and it came to the attention of the Curry County Times, which published it. I ask unanimous consent that it be printed in the RECORD.

I hope that it will be of interest to other Members of this body.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Curry County Times, Jan. 6, 1968]

TERRY WALLACE PRESENTS THOUGHT-PROVOKING SPEECH

Terry Wallace, junior at Clovis High School and president of the Student Council, has this past several months, been guests at at various organizations' meetings. This young lady, daughter of Mrs. Charline Wallace, has presented a speech which she wrote herself, entitled, "The Nation: Ours to Defend."

Outstanding in many scholastic activities, Terry has also received the honor of being selected by the National Association of Student Councils to participate in the 1958 NASC European Tour for International Understanding. Terry will represent New Mexico on the tour which includes visits to London, Holland, West Germany, Austria, Italy, Switzerland, France and Yugoslavia. She will be briefed for the trip next July 18, at the NEA headquarters in Washington, D.C. She will be among less than 100 students from throughout the nation to make the trip.

THE NATION: OURS TO DEFEND

Do you take pride in the heritage of our nation? We, today, reflect our nation and what it has been for almost 200 years. We portray the men who made our country and the goals they died for. But do we portray them truthfully and fairly?

We say that we are defenders of world peace. How can we expect to convince other nations of this when there is much unrest within our own boundaries? What is to become of our nation with all the riots, draft dodgers and Communist infiltration?

We must defend our nation and her policies, because as Abe Lincoln said in his Gettysburg Address, "It is a nation of the people, by the people and for the people."

If she is to successfully defend us, we must defend her, democracy, and the certain unalienable rights secured for us by our forefathers.

No thoughtful person will fail to see that our ultimate success as defenders of democracy can result only in an active faith in the superiority of our political system and its institutions. The struggle we face will be long and hard because many of the peoples of the world will constantly compare to the Promises of the Soviet Union to the Practices of the United States.

We Americans have to be constantly aware that there is abroad much anti-American feeling. This feeling grows out of resentment and the envy of our place as a Great Power. It also comes from the idea that we have sometimes disregarded the interests or the feelings of other peoples.

The United States did not plan that the second World War should end with the world divided into two camps. We did not foresee that our country would be the only democracy with sufficient material strength to stand up to Communist imperialism. However, we must take our role hopefully and responsibly.

It is often said that we, the youth, are the most important resource for the future. We need training in patriotism, morals, ideals, the value of hard work, and the pride in a job well done. Much of this training comes through such organizations as the Student Council, Girls' and Boys' State, and the YMCA Youth and Government Program.

The Communist countries look to our youth for hope. For if they train the youth in their doctrines they know that they will have an eventual takeover without a nuclear war.

Our country is lacking in patriotism. Patriotism isn't simply marching behind a band or displaying fireworks one day of the year, and it isn't found in the cheering of a crowd or jubilant flag waving.

Patriotism is the sum of three cardinal virtues; faith, hope and charity. Faith in the principles of our government; hope in the future of our country; and charity toward all and malice toward none. Patriotism is loving one's country and respecting its traditions. It is honoring its people whether high or low, rich or poor. Most important, it's standing firm and unselfish for the right, common-good, peace and well-being of all. It means sacrificing self, if need be, and unafraid against all oppositions.

We need courage. That of the kind for which our countrymen have long been famous and the undiminished faith that in the end free men are always triumphant. We need courage to look far into the future to find a right path over the obstacles and around the pitfalls that lie before us because we have no sure signposts.

Nevertheless, we may always turn with pride to our own stirring history for reassurance. A story of incomparable achievement. It is one of the glorious chapters of mankind's experience. It can be the beacon by which we travel over unknown roads in our relentless pursuit of democracy's endless goals.

Through the annals of our history, there have been many heroic, patriotic men and women. It is hard to visualize the courage possessed by such people to mold and shape such a nation as we have today.

Imagine the insight and intellect they must have had to write such great documents of freedom as the Declaration of Independence and our Constitution. Docu-

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